

GOVERNMENT OF ANDHRA PRADESH
IRRIGATION & CAD (IRR. WING; ARB) DEPTT.

GOVT.MEMO.NO.23091/ARB/07

DATED;26.5.08

SUB; IRRIGATION 7 CAD (IW;ARB) DEPT. – Suits – petitions filed by Sri Allam Subbarayudu, contractor against Government – work related to raise the West of Ghanapur anicut by one metre, Ghanapur (v) vide Agt.No.5/83-84, St.17.6.1983 – Report of the Engineer-Chief Engineer, Medium Irrigation which has been furnished by Supdt.Engineer, Irrigation Circle and placed before committee – called for.

Ref: Your letter No.DCE III/OT2/AEE/1296/GPN/07-08, Dt.2.5.08

The attention of the Engineer-in-Chief , Medium irrigation is invited to the reference cited . while enclosing a copy of the reference he is requested furnish his detailed report and recommendations. He is also requested to furnish the copy of the report of Supdt.Engineer, Irrigation Circle, Nizamabad which was placed before Committee immediately to Government to take further action.

A.K.JAIN

SPL.SECRETARY TO GOVERNMENT

TO

THE ENGINEER-IN-CHIEF, MEDIUM IRRIGATION, HYDERABAD

; FORWARDED;; BY ORDER;;

SECTION OFFICER.;

(Issued as Memo.No.23091/ARB/07, D.17.10.2007)

(Letter received from Member Convenor, High Level Committee, Engineer-in-Chief, Medium Irrigation, vide Lr.No.DCE.III/OT2/AEE/ 1296/GPN/07-08, Dt.2.5.2008)

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It is submitted that a representation has been received from Sri Allam Subbarayudu, contractor and submitted that the work relating to raising the crest of Chanpur Anicut by one meter was awarded to him under Agt.No.51/83-85, Dt.17.6.83, Nizamabad Circle. He has further submitted that during the execution of work certain disputes have been raised between him and Governemnt and those were referred to the Sole Arbitrator Sri A.P. Rangnatham Swamy, Retd. Chief Engineer. The learned arbitrator npassed the award on 21.7.88 in favour of contractor. The Government has filed the OP.No.522/88 to set aside the award. Sri Allam Subba Rayudu, contractor has also filed petition against OP.No.522/88 in second Addl. Sr. Civil Judge, City Civil Court, Hyd., vide OP.No.364/88. The 2nd Addl. Senior Civil Judge, City Civil Court has dismissed the Govt. Petition i.e., OP.No.522/88 and passed common order Dt.28.9.92 and decreed. The Government filed CMA.No.476/93 in High Court against OP.522/88 and CRP.No.1323/93 against OP.No.364/88 (i.e., contractor petition Sri Allam Subba Rayudu has also further stated that he has received Rs.9.00 lakhs as per the order of Hon'ble High Court Dt.13.4.93 in CRP.No.1323/93 there after a sum towards interest as directed by High Court. Meanwhile the A.P. High Court in CMA.No.1323/93, dt.8.6.07 directed the Government due to long lapse of time and the pendency of the proceedings all along, it would be suffice in the interest of justice and also in the interest of the both the parties to make an effort of conciliation to the effect of settlement. In this process an attempt can be made by directing the respondents of the concerned Departments by filing appropriate comprehensive representation on behalf of the claimants. On filing of which the said authority shall hear both the sides after giving notice and opportunity and make an effort to conciliate and settle the claims. The respondent claimants shall file the said representation within a period of three

weeks from date of issue of the High court order and the Prl. secy. of the said authority shall conciliate the meeting and try to settle the matter within a period of three months.

Based on the above, Sri Allam Subba Rayudu represented his case to the Government and it was referred to the Engineer-in-Chief, Medium Irrigation, Hyd., vide D.O.LR.No.23091/ARB/07, Dt.30.8.2007/24.9.07. Pending receipt of the reply from Engineer-in-Chief, Medium Irrigation, Hyderabad a Committee has been constituted with the following members vide Govt.Memo.No.23091/ARB/07, I&CAD (IW:ARB) Deptt., dt.17.11.2007 and also directed the Committee should examine the merits and de-merits of the case and finalise the full and final settlement of the case. The Member Convenor has also requested to submit the detailed report to Government within one month for further course of action.

In this connection, the Member Convenor, High Level Committee, Engineer-in-Chief, Medium Irrigation, in his letter Dt.DCE.III/OT2/AEE/1296/GPN/07-08, Dt.2.5.2008 submitted that the Committee held discussion with the contractor. The data presented by the S.E., I.C., Nizamabad and the merits and demerits of the claims were examined. The Committee have also discussed the award passed by the Sole Arbitrator which was made the rule of Government by the City Civil Court in OP.No.364/88 and OP.No.522/88 and the offer given by the contractor to reduce the interest rate to 9% simple interest acceptance for the total amount worked out to Rs.26,80,193/- upto 9.3.2008.

The Engineer-in-Chief, Member Convenor, High Level Committee Engineer-in-Chief, Medium Irrigation has stated that the Committee finally recommends the amount of Rs.26,80,193/- in full and final settlement of the case and the said amount is to be debited from the following head of account:-

“4701 – Medium Irrigation – MH 161 Ghanpur System – GH 11 Normal State Plan - SH 27 Canals & distributories – 530 Major works – 531 other expenditure”

In view of the position explained by the Member Convener, High Level Committee, Engineer-in-Chief, Medium Irrigation, it is submitted that the following reports have not been received from Engineer-in-Chief, Medium Irrigation as explained in the letter dt.2.5.08

1. The report which has been furnished by the S.E., I.C., Nizamabad and placed before Committee.
2. The Acceptance letter received from Sri Allam Subbarayudu, contractor

It is for orders, whether the above reports may be obtained from Engineer-in Chief, Medium Irrigation before submitting the entire case before Prl.Secretary, Irr. & C AD(IW) Dept for further discussions as per the orders of Hon'ble High Court and as suggested by A.G.,A.P.,Hyderabad

Contd.12

Page: 12:

(OR)

The proposal may be processed further course of action (i.e., Law Department / Finance Department)

. The Chief Engineer, Inter State & Water Resources therefore requested the Government he may be exempted from the Committee constituted for Rayalaseema region.

It is for orders, whether the following reports may be obtained from Engineer-in-Chief, Medium Irrigation, before submitting the entire case before Prl. Secy. I&CAD (IW) Deptt., for further discussions as per the recommendations of Hon'ble High Court of A.G., A.P., Hyd.,:-

The

(Issued as Govt.D.O.Lr.No.23091/ARB/07, DT.28.8.2007)

(Issued as Govt.Memo.No.23091/ARB/07, Dt.24.9.2007)

SUMMARISING NOTE

A representation has been received from Sri Allam Subba Rayudu with a request to settle his pending claims by way of conciliation within three months as per the orders of High Court Dt.8.6.2007.

Sri Allam Subba Rayudu, Contractor in his representation submitted that at the time of execution work of certain disputes have raised between him and Government. Those disputes were referred to the Sole Arbitrator Sri A.P. Ranganatha Swamy, Retd. C.E. The learned arbitrator passed the award on 21.7.88 in favour of contractor. Government has filed OP.No.527/88 to set aside the award. He has also filed the petition against OP.No.522/88 to make the award rule of court in the 2nd Addl. Sr. Civil Judge, City Civil Court, Hyderabad vide OP.NO.364/88. The IInd Addl. Senior Civil Judge, City Civil Court has dismissed the Government's OP.No.522/88 and passed common order dt.28.9.92 and decreed. The Government filed CMA No.476/93 in High Court against OP.No.522/88 and CRP.No.1323/93 against OP.No.364/88. Sri Allam Subba Rayudu has also submitted that he has received a sum of Rs.9.00 lakhs as per the orders of Hon'ble High Court Dt.13.4.93 in CRP.No.1323/93 thereafter a sum towards interest as directed by High Court. He therefore requested the Government to settle his claims through negotiations as per High Court Orders Dt.29.3.2007.

In this connection, it is submitted that High Court of A.P. (Divisional Bench) opined that regarding the long lapse of time and pendency of the Proceedings all along, it would suffice in the interest of justice and also in the interest of both parties to make an effort of conciliation to the effect of settlement.

The Hon'ble High Court therefore directed the Government an attempt can be made by directing the respondents claimants to approach the

Prl. Secretary of the concerned Department by filing appropriate comprehensive representation on behalf of claimants. On filing of which the said authority shall hear both sides after giving notice and opportunity and make one effort to conciliate and settle the claims. The respondents – claimants shall file the said representation within a period of three weeks from today and the Principal Secretary of the said authority shall conciliate the meetings and try to settle the matter within three months thereafter.

The A.P. High Court further ordered that the parties are at liberty to approach this court either by way of filing final settlement which would be arrived at between parties or the failure report on the basis of which necessary orders will be disposed of the matter on merits if it warrants.

The A.G., A.P. has also informed to the Government vide letter No.618/2007, Dt.16.7.07 that some matters are pending from 1989 onwards and are pending since 1995. The contractors are made certain claims and damages against Government and where the matters were referred to Arbitrator. Awards were passed in favour of contractor against the Government when the said awards were challenged by the Government in City Civil Court by filing original petitions the Civil Court dismissed the petitions filed by the Government and made the awards “rule of Court”. In large number of cases, the Arbitrators have granted interest at the rate of 24% and in some cases at 18% per annum. The Government have filed CMAs and CRPs challenging the Judgement of the civil Courts which refused to set aside the awards on various grounds. In view of the pendency for nearly two decades in the High Court and in view of grant of interest at exorbitant rate of interest at 18%, the Government would be losing heavily in case if the appeals filed by the Government are dismissed. In view of the long pendency of these matters, and in the interest of Government, and to put a quietus to the long pending litigation, he suggested that a Committee headed by the Prl. Secy. of the concerned Department be constituted for attempting an amicable settlement and if the Contractors come forward, for negotiations by a

comprehensive representation, the Committee can negotiate and arrive at a settlement which will be beneficial to Government and huge burden on Government exchequer by way of interest alone could be saved.

Since the Hon'ble High Court kept open the issue to be decided on merits if conciliation fails, the Government will not lose anything, as the Hon'ble High Court observed, that the interim orders passed in favour of the Government continue to operate till final disposal of conciliation proceedings and thereafter also.

In this connection, the Government has requested the Engineer-in-Chief, Med. Irrign., to furnish the detailed report in addition to the following points vide D.O.Lr.No.23091/ARB/07, Dt. 28.8.2007 & 24.9.2007. The reply from the E-N-C, Med. Irrign., and the reply is still awaited:-

1. How much amount has been sanctioned for raising the crest of Ghanpur anicut by one meter?
2. Petitions filed by the Office of CE/SE and petitioner in City Civil Court and High Court and their orders
3. The circumstances which have led for feign the petition by the contractor in the City Civil Court, Hyderabad.
4. Whether the C.E./S.E. is competent to nominate the arbitrator if so under which article of Act.
5. How much amount has been paid to the contractor and the particulars of balance?
6. Date of calling tenders, date of finalization of tenders, date of handing over site and date of execution of work
7. whether any permission has been given by Government to use the sand from nearest bank of the river/Govt. land at the time of execution of work, if not how the contractor procured the material.
8. Whether any permission has been given by Govt. to use the block rock from nearest quarry of Government at the time of execution of work, if not, how the contractor procured the material and intimate if any V.C. cases are pending against the proposal.

In view of the position explained in the earlier paras and to avoid further legal complications it is for orders whether a Committee may be constituted as advised by the Advocate General, A.P., Hyderabad.

Please see the orders of Prl. Secy. (I) at Para (18) on P.7
ante.

With reference to the observations of Prl. Secy., it is humbly
submitted that the Standing Committee and Advisor Committee will examine
and take the decisions on the following issues:

- a) Tender evaluation
- b) Entrustment of additional items and price to be paid
- c) Deletion of items
- d) Approval of Sub-contractors
- e) POL and price adjustments (to decide components of fuels & lubricants in computing price adjustment)
- f) Extension of time (approval upto 6 months and recommendations to Government beyond 6 months)

In view of the above position, it is submitted that no instructions has been issued by the Government to deal the Arbitration cases.

Orders are solicited on para (17) at P.7 ante

MOST IMMEDIATE

GOVERNMENT OF ANDHRA PRADESH
IRRIGATION & C.A.D. (IW:ARB) DEPARTMENT

Memo.No.23091/ARB/2007

Dated:17.10.07

Sub: Irrigation and CAD (Irr. Wing) Dept – Suits - Petition filed by Sri Allam Subba Rayudu, Contractor against Government – work related to raising the crest of Ghanpur Anicut by one meter, Ghanpur Village vide Agt No.5/83-84, Dt 17.6.83 - Constitution of Committee for negotiations and for assessing exact amount for payment to the Contractors.

Ref 1) Letter received from Advocate General vide letter No.618/2007,Dt.16.7.2007
2) High Court of Andhra Pradesh Orders Dt. 8.6.2007
3) Rep received from Sri Allam Subba Rayudu, Contractor Dt.3.8.07

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In the reference first cited, Advocate General, High Court of A.P., Hyderabad has suggested to constitute a High Level Committee for negotiating with the contractor for an amicable settlement within a period of 3 months as directed by the Hon'ble High Court of A.P. Dt.8.6.2007.

2. After careful examination, the Government hereby constitute a High level Committee to negotiate with the Contractor for an amicable settlement with the following Officers. The Officers are requested to examine the merits & demerits of the case and finalise the settlement. The Member Convener is requested to submit the detailed report to Government within a month for further action.

1. Sri P.S.R. Subrahmanyam, Engineer-in-Chief,Medium Irrign....	Member Convenor
2. Sri I.S.N. Raju, Chief Engineer, Central Designs Organisation	...
3. Sri Y. Lavakusa Reddy Advisor, Telangana Region.	...
	Member
	Member

3. The nominated officers are requested to acknowledge the receipt of this Order.

ADITHYA NATH DAS
SECRETARY TO GOVERNMENT

To:

Sri P.S.R. Subrahmanyam, Engineer-in-Chief, Med.Irrgn., Hyderabad.
Sri I.S.N. Raju, Chief Engineer, C.D.O., Hyderabad.

Sri Y. Lavakusa Reddy, Advisor, Telangana Region, A.P. Sectt., Hyderabad.

Copy to :

Sri Allam Subba Rayudu, Plot No.101, Mani Residency,
8-3-229/C/10/101, Yousufguda, Hyderabad.

The Advocate General, A.P., Hyderabad.

The P.S. to Spl. Secretary to Government.

The P.S. to Pri. Secretary to Government.

// FORWARDED :: BY ORDER //

SECTION OFFICER

I&CAD (IW:ARB) Deptt.,

ROUTINE NOTE

It is submitted that a committee has been constituted based on the orders of Hon'ble High Court and as suggested by the A.G., A.P., Hyd., vide Govt.Memo.No.23091/ARB/07, Dt.17.10.2007. A direction has also given to the Committee by the Government to examine the merits and demerits of the case and finalise the full and final settlement of the amount.

In this connection, it is submitted that a reply has been received from Engineer-in-Chief, Medium Irrigation may be perused at PPs.1-3 Cf in response to the Govt.Memo.No.23091/ARB/07, Dt.17.10.07. The above reply has been handed over to the Peshi people of Secretary, Irrigation (Sri Adityanath Das Gupta) instead of Prl. Secretary's Peshi (Sri S.P. Tucker).

The reply received from Engineer-in-Chief, Med. Irrigation may now be submitted to the Prl. Secretary at tappal stage for kind perusal and for orders, if any.

(Issued Memo.No.23091ARB/2007,I&CAD(Irr.Wing:Arb)Deptt.,Dt.17.10.07)

(Letter received from Member Convener, High Level Committee Engineer-in-Chief, Medium Irrigation vide Ir.No.DCEIII/OT2/AEE/1296/GPN/07/08,Dt.2.5.08)

(Issued Govt.Memo.No.23091/ARB/07,Irr. & CAD(Irr.Wing:Arb)Deptt.,Dt.26..08)

(Letter received from Engineer -in-Chief ,Medium Irrigation vide Lt.No.DCE3/OT2/AEE/1296/GPN/07-08,Dt.13.06.08)

SUMMARISING NOTE

A representation has been received from Sri Allam Subba Rayudu with a request to settle his pending claims by way of conciliation within three months as per the orders of High Court Dt.8.6.2007.

Sri Allam Subba Rayudu, Contractor in his representation submitted that at the time of execution work of certain disputes have arisen between him and Government. Those disputes were referred to the Sole Arbitrator Sri A.P. Ranganatha Swamy, Retd. C.E. The learned arbitrator passed the award on 21.7.88 in favour of contractor. Government has filed OP.No.527/88 to set aside the award. He has also filed the petition against OP.No.522/88 to make the award rule of court in the 2nd Addl. Sr. Civil Judge, City Civil Court, Hyderabad vide OP.NO.364/88. The IInd Addl. Senior Civil Judge, City Civil Court has dismissed the Government's OP.No.522/88 and passed common order dt.28.9.92 and decreed. The Government filed CMA No.476/93 in High Court against OP.No.522/88 and CRP.No.1323/93 against OP.No.364/88. Sri Allam Subba Rayudu has also submitted that he has received a sum of

Rs.9.00 lakhs as per the orders of Hon'ble High Court Dt.13.4.93 in CRP.No.1323/93 thereafter a sum towards interest as directed by High Court. He therefore requested the Government to settle his claims through negotiations as per High Court Orders Dt.29.3.2007.

In this connection, it is submitted that High Court of A.P. (Divisional Bench) opined that regarding the long lapse of time and pendency of the Proceedings all along, it would suffice in the interest of justice and also in the interest of both parties to make an effort of conciliation to the effect of settlement.

The Hon'ble High Court therefore directed the Government an attempt can be made by directing the respondents claimants to approach the Prl.Secretary of the concerned Department by filing appropriate comprehensive representation on behalf of claimants. On filing of which the said authority shall hear both sides after giving notice and opportunity and make one effort to conciliate and settle the claims. The respondents–claimants shall file the said representation within a period of three weeks from today and the Principal Secretary of the said authority shall conciliate the meetings and try to settle the matter within three months thereafater.

The A.P. High Court further ordered that the parties are at liberty to approach this court either by way of filing final settlement which would be arrived at between parties or the failure report on the basis of which necessary orders will be disposed of the matter on merits if it warrants.

The A.G., A.P. has also informed to the Government vide letter No.618/2007, Dt.16.7.07 that some matters are pending from 1989 onwards and are pending since 1995. The contractors are made certain claims and damages against Government and where the matters were referred to Arbitrator. Awards were passed in favour of contractor against the Government when the said awards were challenged by the Government in City Civil Court by filing original petitions the Civil Court dismissed the petitions

filed by the Government and made the awards “rule of Court”. In large number of cases, the Arbitrators have granted interest at the rate of 24% and in some cases at 18% per annum. The Government have filed CMAs and CRPs challenging the Judgment of the civil Courts which refused to set aside the awards on various grounds. In view of the pendency for nearly two decades in the High Court and in view of grant of interest at exorbitant rate of interest at 18%, the Government

would be losing heavily in case if the appeals filed by the Government are dismissed. In view of the long pendency of these matters, and in the interest of Government, and to put a quietus to the long pending litigation, he suggested that a Committee headed by the Prl. Secy. of the concerned Department be constituted for attempting an amicable settlement and if the Contractors come forward, for negotiations by a comprehensive representation, the Committee can negotiate and arrive at a settlement which will be beneficial to Government and huge burden on Government exchequer by way of interest alone could be saved.

Since the Hon’ble High Court kept open the issue to be decided on merits if conciliation fails, the Government will not lose anything, the Hon’ble High Court observed, that the interim orders passed in favour of the Government continue to operate till final disposal of conciliation proceedings and thereafter also.

In this connection, the Government has requested the Engineer-in-Chief, Med. Irrign., to furnish the detailed report vide D.O.Lr.No.23091/ARB/07, Dt. 28.8.2007 & 24.9.2007. Pending receipt of the reply and keeping in view of the time prescribed by Hon’ble High Court in its order a committee has been constituted has been constituted with the following members. The report furnished by conciliation committee for settlement of the claims at PP 21 to 23 c.f. may kindly perused

. Sri P.S.R. Subrahmanyam, Engineer-in-Chief,Medium Irrign.... Sri I.S.N. Raju, Chief Engineer,	Member Convenor
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Central Designs Organisation	...	Member
Sri Y. Lavakusa Reddy		
Advisor, Telangana Region.	...	Member

The Conciliation Committee has conducted series of meetings on 20.11.07 , 27.11.07 and 14.12..07 and the data presented by the Supdt.Engineer, Irrigation Circle, Nizamabad was discussed. The merits and demerits of the claims were examined. The contractor has expressed his willingness only to reduce the rate of interest from 18% (as per sole arbitrator) and 16% (as decreed by the City Civil Court) to 9% simple interest. The Committee members have discussed the award passed by the sole arbitrator which was made the rule of court by the City Civil Court in O.P.No.364/88 and the offer given by the contractor to reduce the interest rate to 9% simple interest, and acceptance for the total amount worked out to Rs.26,80,193/- up to 09.3.08. The committee finally recommends the above amount as the claimant Sri Allam Subbarayudu has agreed to the above amount as in full and final settlement of the case.

Keeping in view of the proceedings of conciliation committee for settlement the Engineer-in-Chief , Medium Irrigation in his letter Dt.2.5.08 submitted that the High Level Committee constituted by the Govt. has negotiated with the contractor, The data presented by the Supdt Engineer, Irrigation Circle, Nizamabad and the merits and demerits of the claims were examined . The committee have discussed the award passed by the sole arbitrator which was made the rule of court by the City Civil Court in OP No.364/88 and offer given by the contractor to reduce the interest rate to 9% simple interest ,and acceptance for the total amount worked out Rs.26,80,193/-upto 09-03-2008

The committee finally recommended the amount of Rs.26, 80,193 in full and final settlement of the case. The expenditure is chargeable to the following head of account.

“4701- Major and Medium Irrigation – MH 161 Ghanpur System – GH 11 Nor State Plan – SH 27 canals & Distributaries – 530 Major Works – 531 other expenditure”

In this connection it is submitted that the Hon'ble High court stated that the Prl.Secretary of the concerned department shall conciliate the meeting and try to settle the matter .

In view of the above position it is for orders whether a meeting may be proposed to convene a meeting with the party.

Submitted.

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(From the ENC, Medium Irrigation, Hyderabad, Lr.No.DCEIII/OT2/AEE/1296/GPN/07-08, dt.5-7-08).

49. Please see the letter received from ENC, Med.Irr., at PP 29-31 cf. and also see the orders of Spl.Secy., at para 48,on Page 17 ante.

50. Based on the above orders of Spl. Secretary, the proposal has been placed before the Prl. Secy., for reconciliation on 26-6-08. The contractor has agreed to take a lump sum amount of Rs.25,00,000/- after conciliation as full and final settlement

51. In this connection, the ENC, Med. Irrigation in his Ir.dt.5-7-08 has informed to the Government that the conciliation meeting was held on 26-6-08 with Prl. Secy., I&CAD. In this regard, a declaration of claimant Sri Allam Subbarayudu, on Rs. 100/- Stamp Paper reducing his total claim amount to a lump sum of Rs.25,00,000/- including interest and any other incidental charges is enclosed in original.

52. The ENC., has furnished the chargeable Head of Account " 4701-M & MI – MH 161 – Ghanpur system – GH 11 Normal State Plan – SH 27 Canals and Distributaries – 530 Major Works – 531 – Other Expenditure".

53. In view of the position explained in the earlier paras, it is for orders whether the proposal may be sent to the LAW Department for their views.

CIRCULATION NOTE

The file deals with the matter work relating to raising the crest of Ghanpur Anicut by 1metre, Ghanpur Village, Medak District was awarded to Sri Allam Subbarayudu Under Agreement No.5/83-84, dt.17-6-1983.

During the execution of the work certain disputes has been raised between the Contractor and Government and those were referred to the Sole Arbitrator Sri A.P. Ranganatha Swamy, Retd. C.E. The learned arbitrator

passed the award on 21.7.88 in favour of contractor. Government has filed OP.No.522/88 to set aside the award. The IInd Addl. Senior Civil Judge, City Civil Court has dismissed the Government's OP.No.522/88 and passed common order dt.28.9.92 and decreed. The Government filed CMA No.476/93 in High Court against OP.No.522/88 and CRP.No.1323/93 against OP.No.364/88. Sri Allam Subba Rayudu has also submitted that he has received a sum of Rs.9.00 lakhs as per the orders of Hon'ble High Court Dt.13.4.93 in CRP.No.1323/93 thereafter a sum towards interest as directed by High Court. He therefore requested the Government to settle his claims through negotiations as per High Court Orders Dt.29.3.2007.

The Hon'ble High Court therefore directed the Government an attempt can be made by directing the respondents claimants to approach the Prl. Secretary of the concerned Department by filing appropriate comprehensive representation on behalf of claimants. The Principal Secretary of the said authority shall conciliate the meetings and try to settle the matter.

Since the Hon'ble High Court kept open the issue to be decided on merits if conciliation fails, the Government will not lose anything, as the Hon'ble High Court observed, that the interim orders passed in favour of the Government continue to operate till final disposal of conciliation proceedings and thereafter also.

Based on the report furnished by the ENC, Med. Irrigation, the matter was referred to the Committee Constituted for Telangana Region Vide Govt. Memo No. 23091/ ARB/07, dt.17-10-07. The High Level Committee constituted by the Govt. has negotiated with the contractor, the data presented by the Supdt Engineer, Irrigation Circle, Nizamabad and the merits and demerits of the claims were examined. The committee have discussed the award passed by the sole arbitrator which was made the rule of court by the City Civil Court in OP No.364/88 and offer given by the contractor to reduce the interest rate to 9% simple interest, and acceptance for the total amount worked out Rs.26,80,193/-upto 09-03-2008

The committee finally recommended the amount of Rs.26,80,193/- in full and final settlement of the case. The Expenditure chargeable to the Head of Account is "4701- Major and Medium Irrigation – MH 161 Ghanpur System – GH 11 Nor State Plan – SH 27 canals & Distributaries – 530 Major Works – 531 other expenditure"

The Advocate General, Andhra Pradesh Vide his Lr.dt.4-6-08 has informed the Government to constitute appropriate expert committee for

conducting preliminary negotiations with the contractor and place the same before concerned Prl. Secretary who ultimately will finalize by conducting final negotiations and settle the long pending disputes and that the concerned Prl. Secretary is the final authority to settle the matter finally, and not the committee constituted to assist the Principal Secretary.

The ENC, Med. Irr Vide his letter dt.5-7-08 has informed to the Government, conciliation meeting was held on 26-6-08 with the Prl. Secretary, I & CAD. The Contractor Sri Allam Subbarayudu accepted and given his declaration for an amount of Rs.25,00,000/- as full and final settlement from out of Rs.26,80,183/- which was accepted in the committee.

The LAW Department has opined that keeping in view the above directions of the Hon'ble High Court, and the circumstances stated in the file, I & CAD Dept., may satisfy themselves about the amount arrived at after conciliation and take further course of action in consultation with the Finance Department and after final settlement / payment of the claim, the administrative Department may file a joint memo. before the Hon'ble High Court in consultation with Government Pleader concerned so as to comply with the orders passed by the Hon'ble H.C. in the said Appeals.

When consulted the Finance Exp. (PW) Department has also agreed the proposal of this Department

Now, the file may be circulated to CM through M(M&MI) for approval of the proposal of Engineer-in-Chief(I) along with a Draft Order and to accord sanction for an amount of Rs.25,00,000/- for payment of contractor towards final settlement.

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Irrigation & CAD (IW) Department – SUITS – Settlement of Arbitration Award in respect of the work relating to “Raising the crest of Ghanpur, Anicut by 1 metre, Ghanpur Village, Medak District – Under Agt.No.5/83-84, Dated 17-6-83 – Making payment of Rs.25,00,000/- (Rupees twenty five lakhs only) – Orders – Issued.

IRRIGATION & CAD (IRRIGN.WING: ARB) DEPARTMENT

G.O.Ms.No.

Dt. -12 -2008.

Read the following:-

1. Representation received from Allam Subbarayudu, Contractor, Hyderabad, Dt.03-08-2007.
2. High Court order dt.08-06-2007, in CRP No.1323/93 & CMA No.476/93.
3. G.O.Rt.No.103, I&CAD (IW:ARB) Deptt., Dt.24-1-2008.
4. Govt.Memo.No.23091/ARB/07, I&CAD (IW:ARB) Deptt.
Dated 17-10-2007.
5. From the Engineer-in-Chief, Medium Irrigation, Hyderabad,
Lr.NO..DCE III/OT2/ AEE/1296/GPN/07-08, dt.2-5-2008.

ORDER:

In the reference first read above, Sri Allam Subbarayudu, Contractor, Hyderabad, represented to the Government that the work of raising the crest of Ghanpur, Anicut by 1 metre was awarded to him vide Agt.No.5/83-84, dt.17-6-1983. During the execution of work, certain disputes regarding claims have arisen between the contractor and the Government. As per the common judgment of the Hon'ble High Court in its order dt.8-6-2007 in CRP No.1323/93 & CMA No.476/93 directing the respondents – claimants to approach the Prl. Secretary of the Department concerned to make an effort for conciliation and settle the claims.

2. The request of Sri Allam Subbarayudu, Contractor has been examined carefully as per the orders of the Hon'ble High Court dt.8-6-2007 and the matter has been referred to the committee constituted for Telangana Region for examination and conciliation. After final reconciliation by the Prl. Secretary, the Contractor Sri Allam Subbarayudu has accepted for the total amount of Rs. 25,00,000/- (Rupees twenty five lakhs only) towards full and final settled amount including Interest in respect of the above work. The Contractor has also furnished a notarized declaration accepting the negotiated amount and also to withdraw all legal proceedings in the Hon'ble High Court of Andhra Pradesh or in any other Units.

3. Government, after careful examination of the report of Engineer-in-Chief (Medium Irrigation) Vide reference 5th read above and the final conciliation held by the Prl. Secretary, I&CAD Department, hereby accord sanction for an amount of Rs.25,00,000/- (Rupees twenty five lakhs only) towards full and final settlement in respect of the above work. The said amount shall be debited to the following Head of Account:

“4701- Major and Medium Irrigation – MH 161 Ghanpur System – GH 11 Normal State Plan – SH 27 Canals & Distributaries – 530 Major Works – 531 other expenditure”

P.T.O.

4. The Engineer-in-Chief , Medium Irrigation, is directed to arrange to pay the amount of Rs.25,00,000/- (Rupees twenty five lakhs only) to Sri Allaam Subbarayudu, Contractor, duly deducting the income tax and seigniorage charges, if any.

5. This order issues with the concurrence of Fin. (Exp.PW) Department vide their U.O.No.25392/1056/Exp.PW/08, dt.25-09-2008.

(BYORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.P.TUCKER
PRL.SECRETARY TO GOVERNMENT

To

The Engineer-in-Chief, Medium Irrigation, I&CAD, Hyderabad.

The Superintending Engineer , Irrigation Circle-3, Nizamabad.

The Pay & Accounts Officer, Hyderabad.

The Dy. Pay & Accounts Officer, Secretariat Buildings, Hyderabad.

Sri Allam Subbarayudu, Contractor, Plot.No.101, Mani Residency 8-3-229/C/10/101, Yusufguda, Hyderabad.

Copy to:

The I&CAD (P&B) Deptt.,

The Accountant General, Andhra Pradesh, Hyderabad.

The Fin.(Exp.PW) Deptt., with a request to release LOC for the sanctioned amount.

SF/SC.

//Forwarded::Byorder//

SECTION OFFICER